

**ASSEMBLY BILL**

**No. 743**

**Introduced by Assembly Member Mullin**

February 19, 2003

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An act to add Section 24416.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 743, as introduced, Mullin. Corporation taxes: NOLs: transfer. The Corporation Tax Law allows a deduction for net operating losses in computing income subject to tax.

This bill would provide that any unused net operating losses incurred by a corporation that are attributable to the development or marketing of any biomedical product in this state may be transferred by that corporation for use by any other corporation that continues in the development or marketing of that product.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 24416.9 is added to the Revenue and  
2 Taxation Code, to read:  
3 24416.9. Notwithstanding Sections 24416, 24416.1,  
4 24416.2, 24416.3, 24416.4, 24416.5, 24416.6, and 24416.7, and  
5 any other provision of this part to the contrary, any unused net  
6 operating losses incurred by a corporation that are attributable to  
7 the development or marketing of any biomedical product in this

1 state may be transferred by that corporation for use by any other  
2 corporation that continues in the development or marketing of that  
3 product.

4 SEC. 2. This act provides for a tax levy within the meaning of  
5 Article IV of the Constitution and shall go into immediate effect.

